

Foreword

Dear Readers,

We are delighted to present our Sustainability Report to you.

This report reflects our unwavering commitment to a sustainable future and provides an insight into our efforts to harmonise environmental responsibility, social justice and economic performance.

At a time when the global challenges of climate change, species extinction and social inequality are becoming increasingly acute, we as a company recognise our responsibility to make a positive contribution.

The path to greater sustainability is characterised by courageous steps, smart decisions and continuous learning. In this report, we would like to share our initial successes.

In the following pages, you will learn more about our initiatives aimed at reducing our ecological footprint, utilising resources more efficiently and actively promoting climate protection. We are proud to have reached important milestones, whether in terms of energy efficiency, the circular economy or the use of renewable energies.

We also attach great importance to the social dimension of sustainability. Promoting diversity and inclusion, fair working conditions along our supply chain and supporting local communities are an integral part of our corporate philosophy.

However, we know that the road to sustainability is never really finished. We will continue to set ourselves challenging goals and constantly look for innovative ways to fulfil our responsibility towards the environment and the people affected by our activities.

We would like to thank our employees, our partners and everyone who has accompanied us on this journey. Together, we are creating change and shaping a future that we can be proud of.

With sustainable greetings,

DE-VAU-GE Gesundkostwerk Deutschland GmbH

Sustainability Report

1. Corporate Overview

DE-VAU-GE Gesundkostwerk Deutschland GmbH is a family-owned, that has been active in the food industry since 1899. The company has over 900 employees and produces at two sites in Lüneburg and Tangermünde.

The broad product portfolio includes breakfast cereals, various types of muesli, cereal, muesli, protein and fruit bars, drinks, rice and corn cakes.

With a production capacity of around 250.000 tonnes, DE-VAU-GE is one of the largest and most important producers in the European food retail sector on the private label market.

This report provides an overview of our company's efforts and progress in terms of sustainability and social responsibility. Our sustainability initiatives are an important part of our corporate strategy and reflect our commitment to environmental protection, social justice and responsible business practices.

2. Environmental Protection

Our commitment to environmental protection is at the centre of our sustainability efforts. The responsible and efficient use of energy is of great importance, not only to reduce environmental impact, but also to increase operational efficiency and competitiveness. DE-VAU-GE's commitment is supported by its ISO 50001 certified energy management system (EnMS), which has been in place since 2014.

Our EnMS covers both sites in Lüneburg and Tangermünde and includes all energy sources used.

Our efforts to improve energy-related performance are aimed at minimising our ecological footprint and reducing costs at the same time.

The EnMS constantly drives continuous improvement in terms of energy consumption and energy efficiency, following the PDCA-cycle.

The basis for our energy management system is comprehensive transparency of energy consumption within the company. For this reason, we have set up over 350 measuring points in recent years, which we use to continuously record measured values for electricity, gas, steam, compressed air, water and temperature.

All newly installed consumers are directly equipped with measuring devices.

Thanks to this consumption transparency, we can predict future consumption in detail and use this to better organise energy procurement.

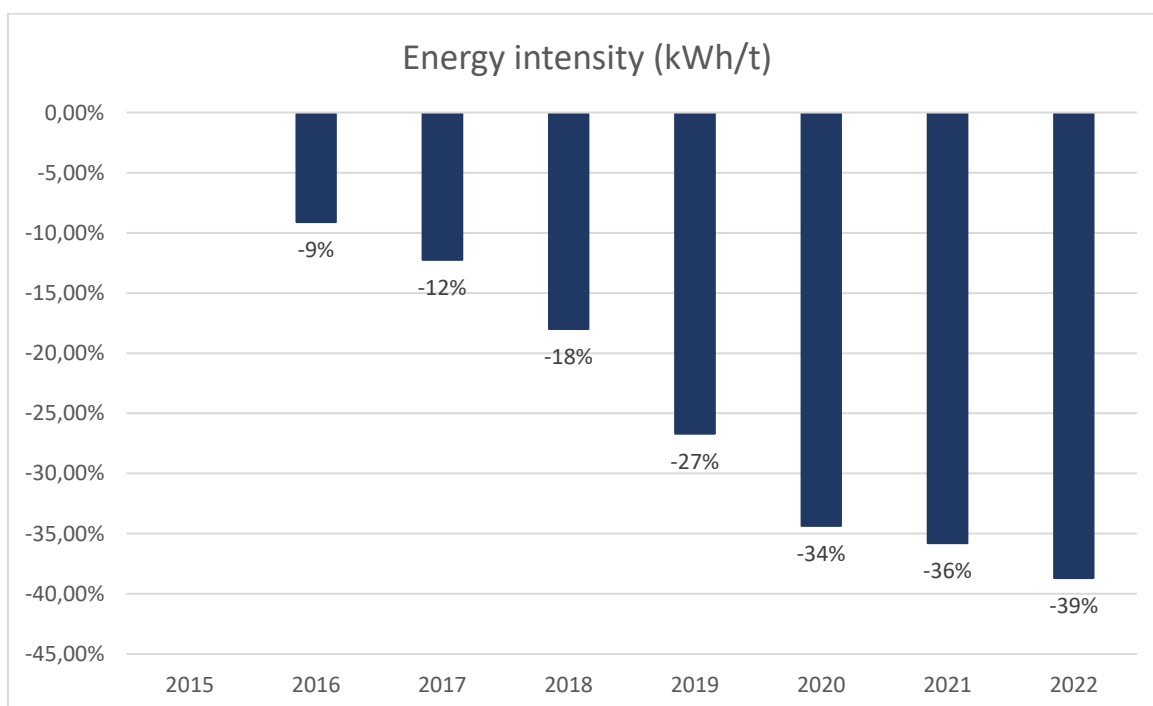
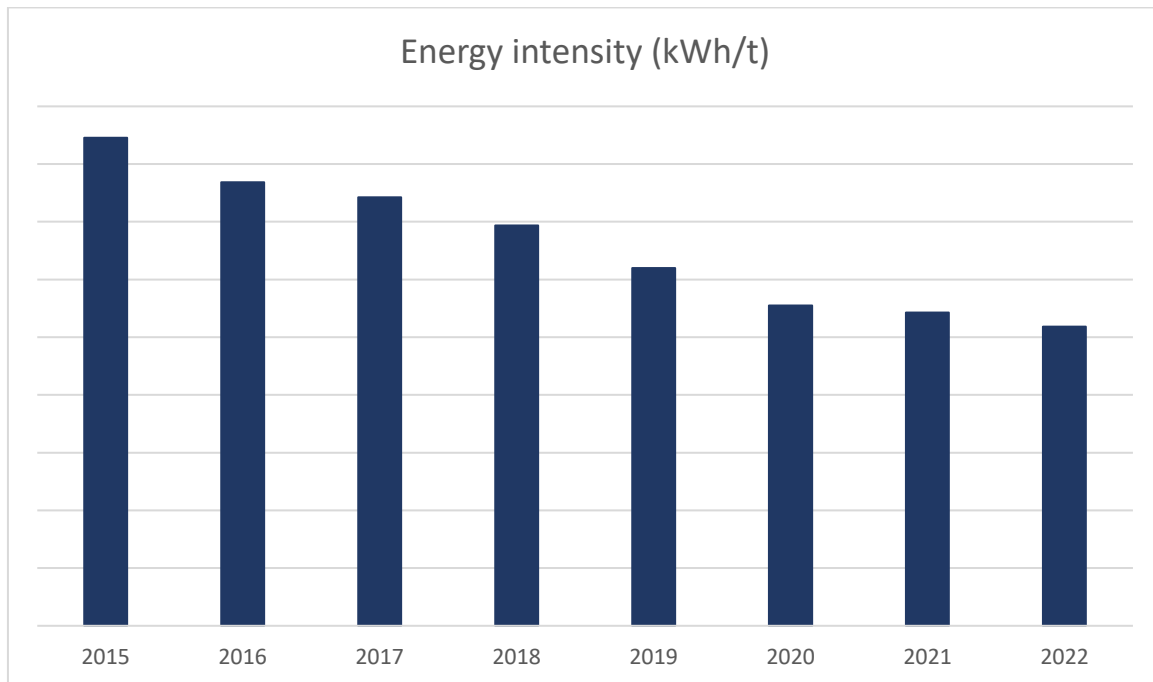
It also allows us to recognise anomalies in the measurement and adjust the monitoring accordingly.

At the same time, we can use the energy measurements to identify potential savings and provide data-based evidence of the success of energy efficiency projects once they have been implemented.

Energy Intensity

Energy intensity illustrates the amount of energy consumed per tonne of goods produced.

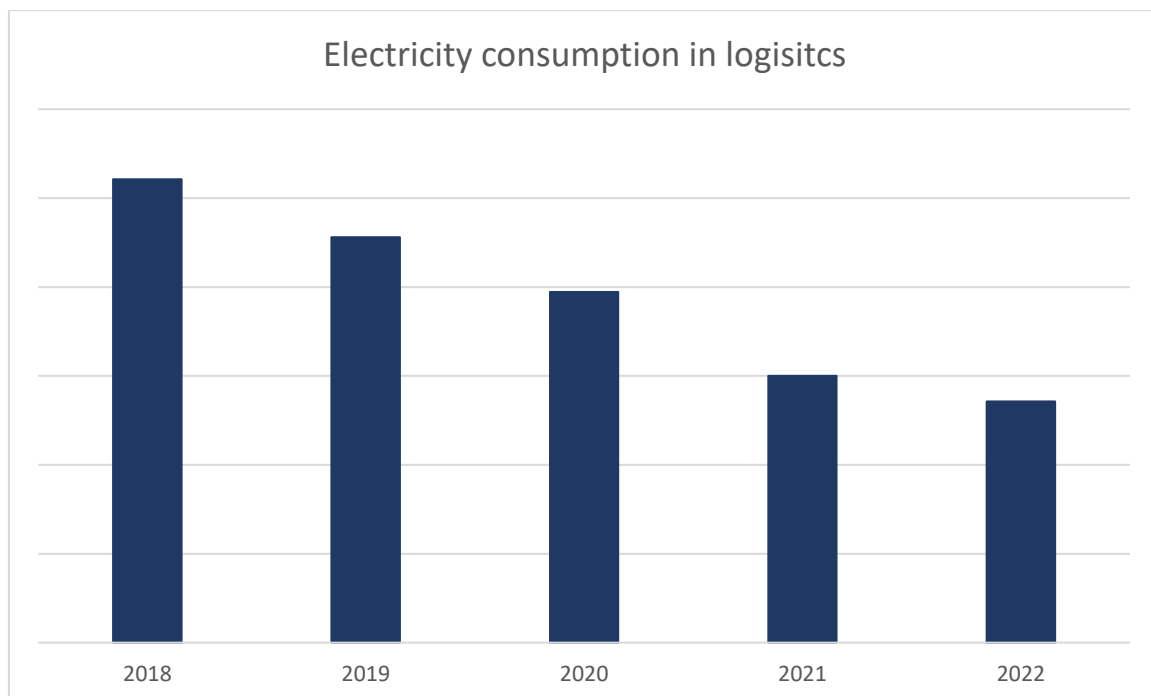
Thanks to our energy management system and the resulting investments to increase energy efficiency, we have been able to reduce energy intensity by 39% since 2015:

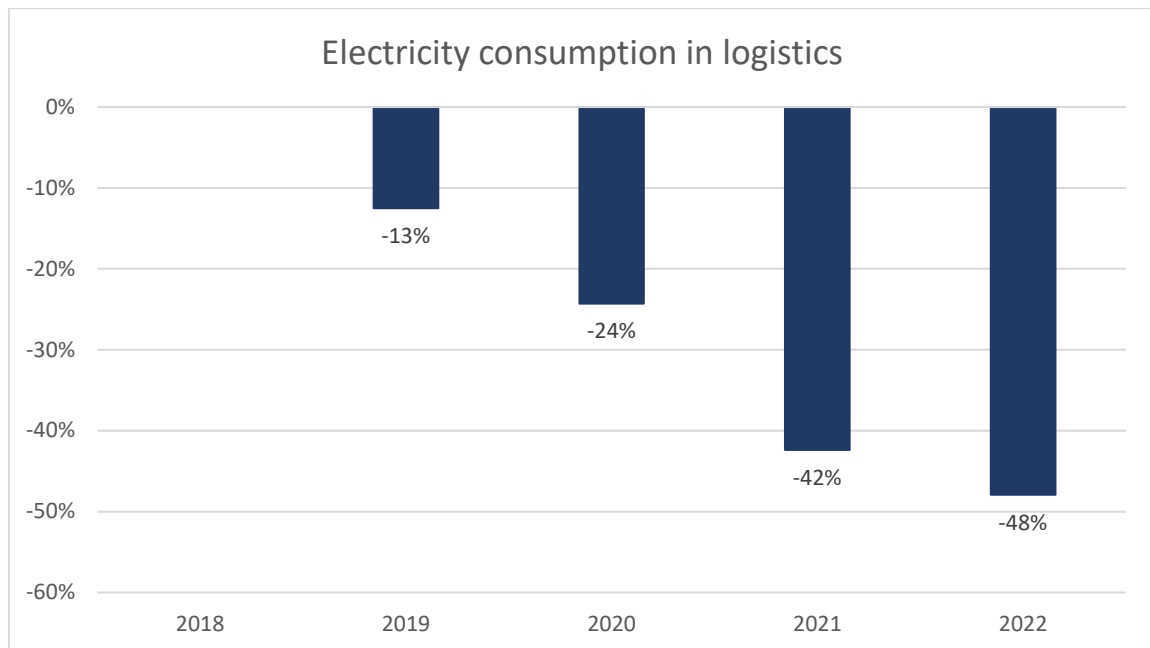


Examples of implemented energy efficiency projects:

- Replacement of compressors including installation and utilisation of heat recovery
- Modernisation of the higher-level compressor control system
- Successive modernisation of production and logistics halls with LED lighting including presence control and brightness sensors
- Replacement of old heating and steam boilers with energy-efficient systems
- Optimisation of the heating system at the logistics centre in Tangermünde, including the use of a domestic hot water heat pump
- Replacement of refrigeration systems and cooling tunnels
- Efficiency optimisation of the company's own wastewater treatment plant in Tangermünde, including the use of speed-controlled aerator motors and process adjustments
- Replacement of the forklift truck fleet (now with more efficient lithium-ion battery technology)

By modernising the lighting technology in our logistics halls in particular, we have been able to almost halve our electricity consumption since 2018:

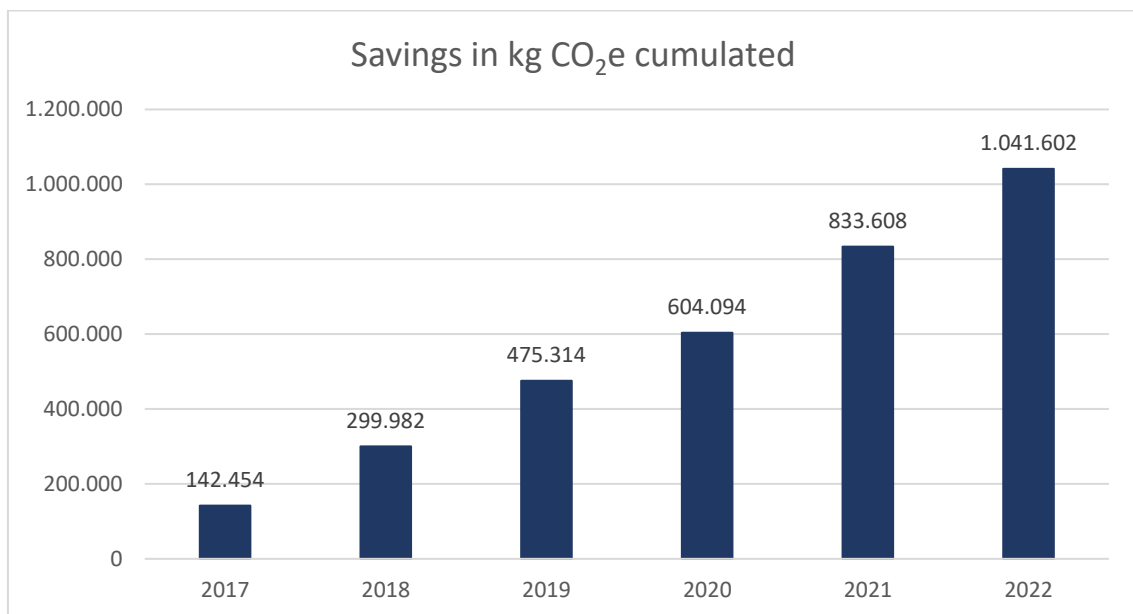
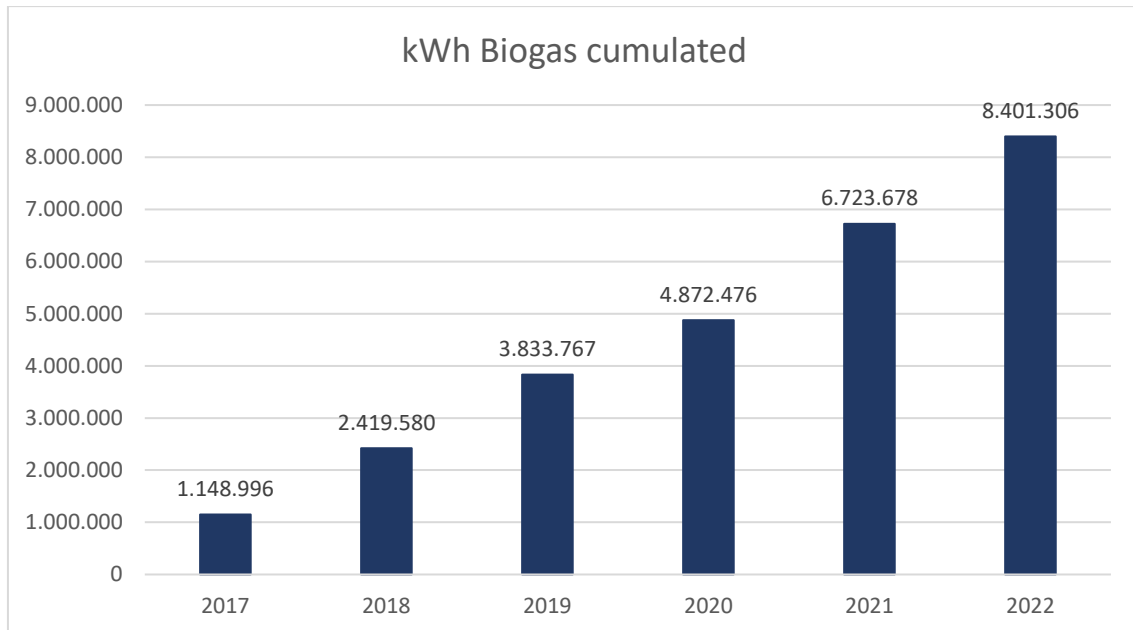




In 2022, the electricity consumption of both plants totalled just under 36,800,000 kWh. Since 2020, we have decided to cover 100% of our electricity requirements with green electricity. The decision to switch to green electricity is the result of a thorough evaluation process and underlines our commitment to a sustainable future.

Natural gas consumption totalled around 92,000,000 kWh in 2022. The resulting greenhouse gas emissions were offset with CO₂ certificates, which we used to support the generation of electricity from hydropower in India and the protection and sustainable use of forests in Brazil, among other things.

DE-VAU-GE also has its own wastewater treatment plant at the Tangermünde site. All of the site's wastewater treated here. We use this process to generate sewage gas. As a result, we have generated almost 10,000,000 kWh of biogas to date. Compared to using conventional natural gas, we have been able to save over 1,000,000 kg of CO₂e.

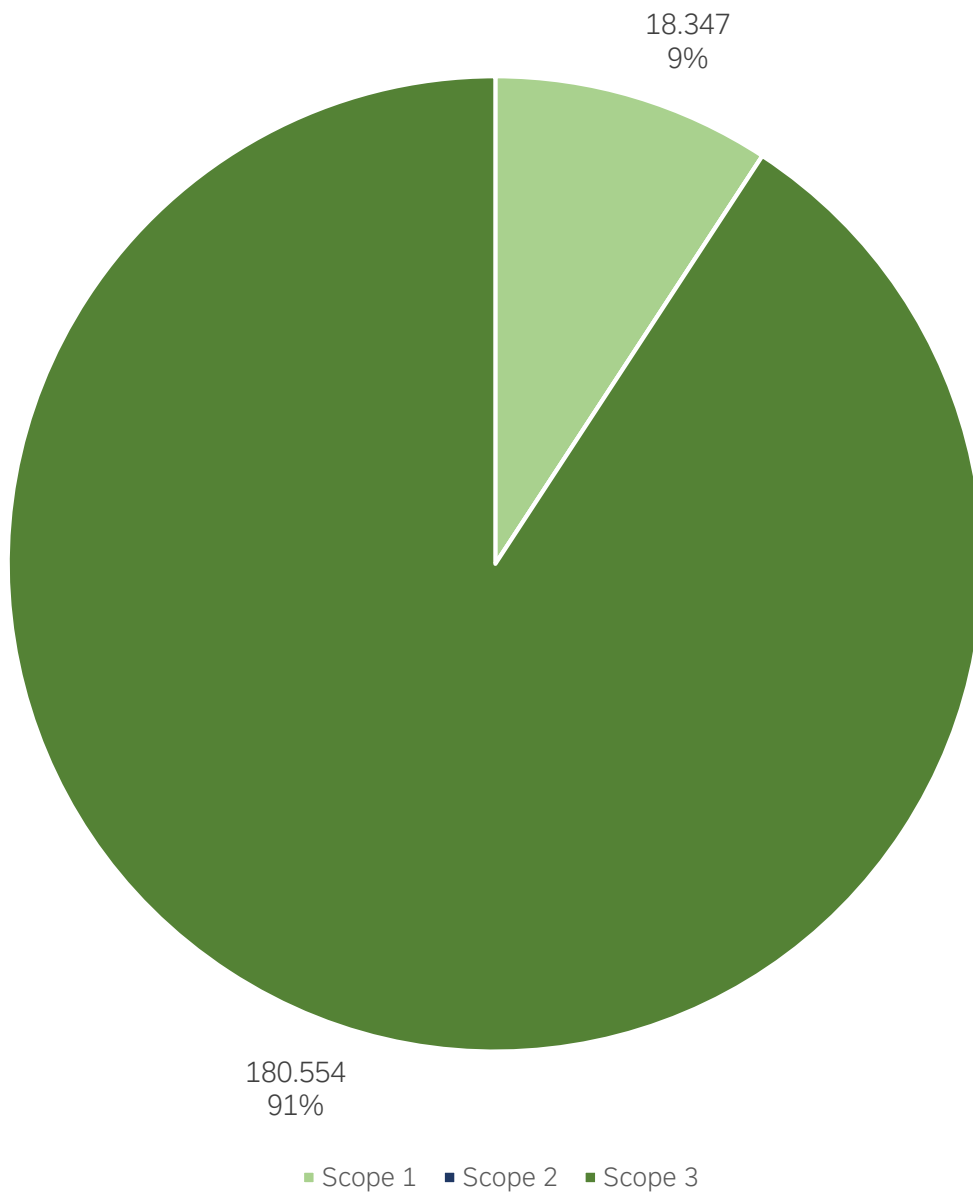


Carbon Accounting

Carbon accounting is an important process that helps to quantify, track and assess emissions of carbon dioxide and other climate-relevant greenhouse gases in order to better understand the environmental impact of our business activities.

Since 2020, DE-VAU-GE has been reporting its emissions across all three scopes in accordance with the Greenhouse Gas Protocol (GHG).

Last year, our corporate carbon footprint was around 200,000 tonnes of CO₂e.



Scope 1 emissions, i.e. emissions that are directly attributable to and controlled by companies, are almost exclusively from natural gas consumption. Last year, we invested in VCS-certified carbon offset projects, including in Brazil and India, to offset the emissions caused by natural gas consumption. As a result, we have offset over 22,000 tonnes of CO₂e.

As we obtain 100% of our electricity from renewable sources, we are CO₂-neutral in Scope 2 of the carbon footprint. Thanks to the use of green electricity, over 15,000,000 kg of CO₂e were saved in 2022.

Since the switch in 2020, we have saved a total of almost 60,000,000 kg CO₂e through the use of green electricity as of July 2023.

Scope 3, the indirect emissions that arise along the value chain, account for the majority of our emissions at over 90%.

In addition to natural gas, we have identified purchased raw materials and packaging as well as incoming and outgoing logistics as the main sources of our emissions. These sources account for 96% of our CO₂ emissions. For this reason, these areas are rated as particularly important from a sustainability perspective and will play an important role in future investments in avoiding and reducing emissions.

As emissions from logistics and the procurement of raw materials and packaging in particular cannot be controlled and reduced directly by us, we are dependent on cooperation with our business partners in the value chain.

We already work closely with our logistics partners. For example, we use lorries with double-decker loading for certain routes so that we can load 54 pallets instead of 34. This enabled us to save over 1,000,000 kg of CO₂ compared to conventional lorries in 2023 alone.

This year, we also successfully implemented an initial project in collaboration with our freight forwarders to use electric lorries for transfers between the Lüneburg and Tangermünde sites.

From spring 2024, it is planned that the electric trucks will permanently drive the transfers and deliver to selected suppliers. We expect this to save around 340,000 kg of CO₂e per year.

By using FSC-certified CHEP pallets, DE-VAU-GE is making an important contribution to the circular economy. We access a pool of recycled and reusable pallets and make the supply chain more efficient and sustainable. Compared to disposable alternatives, we were able to avoid 400,000 kg CO₂e and over 33,000 kg of waste. The wood resources saved through circular utilisation are equivalent to 348 trees saved.

When purchasing our raw materials, we prioritise regionality and sustainable certifications, especially for the main raw materials grain and sugar.

All of our wheat flour comes from German contract farming and 100% of our oat flakes are produced in Germany. In addition to organic oats, we have also been sourcing oats in Naturland quality since this year. We buy wheat, barley, rye and spelt flakes exclusively from German mills, and the grain for flake production comes mainly from Germany.

Around 90% of the sugar comes from Lower Saxony and Saxony-Anhalt, so that our two sites can be supplied regionally.

We have been using only certified palm oil and palm kernel oil with RSPO certification for many years. The proportion of segregated palm oil is over 95%.

We procure over 95% of the cocoa and chocolate products with the sustainable Fairtrade or UTZ/Rainforest Alliance certifications.

In the area of packaging, we are continuously trying to save packaging material and make it more environmentally friendly through innovation and optimisation in order to reduce our ecological footprint.

Over the course of 2023 we were able to reduce the weight of selected folding boxes and the thickness of unprinted films and stretch films. Thanks to these optimisations, we expect to save over 300,000 kg of packaging material per year from 2024. This equals more than 500,000 kg CO₂e.

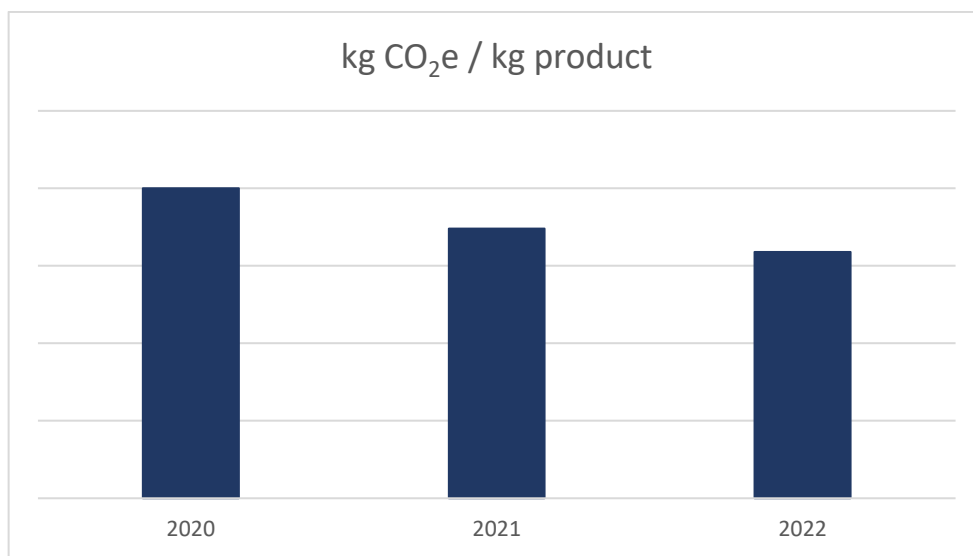
In addition, 100% of our packaging is recyclable. Our folding boxes and outer cartons/trays have a recycled content of 80% and are 100% FSC certified.

Our packaging waste, such as paper, cardboard, cardboard packaging and film, is recycled and reused in line with the circular economy. Plastic canisters and other plastic items are collected and also recycled by a specialised waste disposal company. Plastic drums that were previously filled with cleaning agents are collected separately and processed separately.

Waste requiring monitoring (e.g. waste oil, fluorescent tubes) is recycled by certified waste disposal companies.

Where possible, production waste is reused as animal feed. If it is not possible to accept and process it as animal feed, the production waste is disposed of via a biogas plant if possible.

Thanks to our efforts, we have managed to reduce the CO₂ emissions per kilogramme of product by 21% since we started balancing:



3. Social Responsibility

We, as DE-VAU-GE, recognise our moral and ethical responsibility towards our customers, our employees and society. We firmly believe that as a company we can play an important role in improving living conditions.

A key element of this endeavour is the provision of comprehensive health services in the workplace. These are made possible by our dedicated company doctor, an experienced naturopath and a qualified physiotherapist. They are available to our employees not only to provide medical care, but also to promote preventative measures and address potential stresses and strains at an early stage.

By offering regular health checks and individual consultations, we actively contribute to promoting the well-being and health of our employees and thus increasing their satisfaction.

We also offer an e-bike leasing scheme to promote the mobility of our employees and offer them an environmentally friendly alternative for getting around. In this way, we are helping to make transport more sustainable. We are convinced that this measure not only improves the quality of life of our employees, but also has a positive impact on the environment and the community.

We are also aware of our social responsibility beyond our company. This is emphasised by our sustainable certifications, such as Fairtrade, Rainforest Alliance and Naturland. For us, these certifications are not just seals of approval, but a promise to the community to promote ethical standards in our supply chain.

By integrating these standards into our day-to-day work, we are committed to fair working conditions, social justice and environmental protection.

The certifications are not only an expression of our commitment to greater sustainability, but also an incentive to continuously grow in these areas and bring about positive change.

We also encourage our suppliers to promote ethical standards and practices in their supply chain. This is to ensure that DE-VAU-GE's values are embedded not only internally but also externally throughout the value chain.

We also regularly support charitable organisations such as the Tafel food bank and the German Red Cross. We have provided people in Ukraine with (food) donations worth over €500,000.

Furthermore, we are supporting regional events such as youth camps with donations. We are proud to be a company that is not only committed to economic success, but also has a strong sense of social responsibility. Our fundraising campaigns are an expression of our values and our commitment to a better world. We will continue to do our best to make a positive contribution.

4. Outlook

This sustainability report documents our efforts and successes to date in terms of sustainability and social responsibility. However, our journey towards greater sustainability has only just begun. Since this year, we have had a sustainability officer in the company to establish a sustainability management system within the company. In addition, we have already put together a team of employees to implement the Supply Chain Sustainability Act, which will apply from 2024, in its entirety this year. This should make the concept of sustainability even more present in the company and ensure that it is taken into account in all important strategic corporate decisions in future.

Our stakeholders are of central importance to our sustainability efforts. We want to intensify our communication and collaboration with customers, employees, investors, suppliers and communities/society.

We will increasingly respond to the feedback and expectations of our stakeholders in order to continuously adapt our sustainability strategy.

Our commitment to transparency remains unchanged. We intend to publish our first sustainability report next year.

Our vision is to establish the concept of sustainability and social responsibility as an integral part of our corporate culture.

Our outlook for the future is characterised by confidence in our company's ability to realise sustainable change. We firmly believe that our sustainability efforts not only strengthen our company, but also make a positive contribution to society and the environment.